



DEPARTMENT OF THE NAVY

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12900
Ser N01HED/217
3 Aug 05

From: Executive Director, Commander, Navy Region Southwest
To: All Navy Region Southwest Civilian Employees

Subj: UPDATE ON IMPLEMENTATION OF THE NATIONAL SECURITY
PERSONNEL SYSTEM (NSPS)

Encl: (1) NSPS Information Pamphlet

1. As you are aware, implementation of a new personnel system known as the National Security Personnel System (NSPS) will soon begin. Over the past year, the Department of Defense (DoD), and all the Military Departments, including the Department of the Navy, have expended a significant amount of time and resources in developing this new system. The mission of DoD is national security and civilian employees play a vital role in support of this mission. NSPS provides a modern personnel management system that will improve the way we hire and assign, as well as compensate and reward employees. Overall, implementation of NSPS will provide a more modern, agile and flexible personnel system needed to optimize use of civilian personnel resources to meet the challenges of the twenty-first century.

2. The NSPS covers a number of different areas relating to civilian personnel. The highlights of NSPS are:

- a. A pay banding structure, allowing flexibility in assigning work.
- b. Pay increases based on performance, rather than longevity.
- c. A performance management system that requires supervisors to set clear expectations (linked to DoD's goals and objectives) and employees to be accountable.
- d. A streamlined and more responsive hiring processes.
- e. More efficient, faster procedures for addressing disciplinary and performance problems, while protecting employee due process rights.
- f. A labor relations system that recognizes our national security mission and the need to act swiftly to execute that mission, while preserving collective bargaining rights of employees.

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3. With the exception of the Labor Relations system, implementation of NSPS will be in a phased approach. Each phase is known as a "Spiral". You may already have heard the terms "Spiral 1" or "Spiral 2" or something similar. These terms relate to the scheduled conversion of specific groups of civilian employees within certain organizations to NSPS. There are a total of three Spirals scheduled to implement NSPS. The Spiral implementation schedule, and each Command's participation in it, was announced in December 2004. Spiral 1 includes General Schedule (and equivalent) employees; Spirals 2 and 3 will cover the balance of GS employees and Federal Wage System (FWS) or Wage Grade employees.

4. The Spirals will be implemented in stages. Spiral 1 consists of three stages: Spirals 1.1, 1.2, and 1.3. Spiral 1.1 is currently scheduled to be launched in October 2005 for the Performance Management System portion. The balance of the Human Resources elements (i.e., paybanding staffing flexibilities, etc.) and the Appeals System for Spiral 1.1 will go in place in early calendar year 2006 after any General Pay Increases and Within Grade buyouts. Spiral 1.2 will be implemented in March/April 2006 and Spiral 1.3 in October 2006. Spiral 2, which has four phases, is scheduled to begin implementation in January 2007. This spiral approach will be used to incrementally phase in the eligible DoD civilian workforce over two to three years, upgrading and improving NSPS as it goes forward.

5. All NRSW employees in GS and FWS positions are currently scheduled for conversion to NSPS in Spiral 2.2, which should begin implementation in July of 2007. I will notify you if this date changes in the future.

6. Unlike the sequential spirals for the rest of NSPS, the NSPS Labor Relations system will be implemented in September 2005 across the Department of Defense. The anticipated Labor Relations system provides for some changes to the current system, particularly enhancing DoD's ability to act expeditiously. It does, however, preserve current collective bargaining rights of employees represented by labor organizations.

7. Enclosure (1) provides general information on NSPS. Further information about NSPS can be obtained from any of the following websites and I encourage you to check them on a regular basis.

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You can also post your NSPS questions on the NRSW Human Resources Office (HRO) NSPS web page, and answers will be provided as a part of a frequently asked questions and answers section from which all may benefit.

<http://www.cnrsw.navy.mil/hrocnrsw>

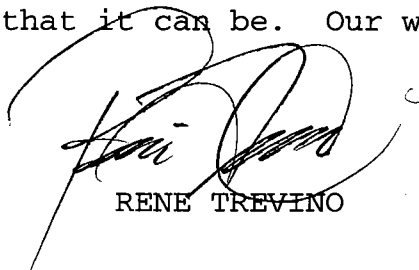
<http://www.donhr.navy.mil/nsps>

<http://www.cpms.osd.mil/nsps>

8. There are many new and informative developments on the horizon. You can look forward to information bulletins being issued beginning in September 2005 and continuing on a regular basis.

9. I anticipate that the final enabling regulations will be published sometime in August 2005 and that the DoD and Navy implementing instructions will be provided shortly thereafter. Once Navy instructions are received, the HRO will be providing information for employees and supervisors via the HRO NSPS web page, employee notices, and, when appropriate, briefings. Look for an announcement and posting on the HRO NSPS web page. Additionally, as we get closer to implementation you will be provided training designed to assist you as we move into this new personnel system.

10. This is an exciting and historic time. It is a great opportunity for us all to take an active part in making this new personnel system the best that it can be. Our workforce deserves nothing less!



RENE TREVINO

WHAT WILL I GAIN UNDER NSPS?

NSPS will provide employees:

- A better understanding of how their position aligns with the Department's mission
- A pay system that takes into account market considerations
- Ability to work in a high-performing environment
- A more simple recruitment and classification system
- A fair, consistent, objective performance system with clear performance expectations
- Improved supervisory/employee communications
- Opportunity to have high performance recognized
- And opportunity to more easily expand experience base.

HOW SHOULD I PREPARE FOR NSPS?

There are several things you can do to prepare for NSPS.

- First, keep up to date on NSPS information. Periodically check the DoD NSPS web site, www.cpms.osd.mil/nsps, as it is continuously updated with latest NSPS news; attend town hall meetings that are scheduled in your area; and read the NSPS newsletters that are issued by the Deputy Assistant Secretary of the Navy (Civilian Human Resources).
- Second, talk to your supervisor about what your Command's strategic goals are and how your position supports those goals. This information will better enable you and your supervisor to set meaningful performance objectives once NSPS is implemented.
- Third, learn about the behavioral competencies that will make you successful under NSPS (Check www.nko.navy.mil) and discuss with your supervisor a plan to begin training on those competencies.

These steps will help make your journey to NSPS a smooth one.



"The task before us is to design a transformed system for the Department's 745,000 civilian employees that supports our national security mission while treating workers fairly and protecting their rights."

Gordon R. England
Secretary of the Navy

David S. C. Chu, Ph.D.
Under Secretary of Defense for Personnel and Readiness
(April 14, 2004)



National Security Personnel System (NSPS)



<https://wwwa.nko.navy.mil>
<http://www.cpms.osd.mil/nsps>
<http://www.donhr.navy.mil/nsps>

WHAT IS NSPS?

The National Security Personnel System (NSPS) is a new, flexible civilian personnel system that will enable the Department of the Navy (DON) to better meet the national security demands of the twenty-first century. NSPS includes a new labor relations system, a new appeals process and an enhanced human resources system, covering staffing, workforce shaping, recruitment, compensation (pay banding) and performance management (pay for performance).

WHY NSPS?

The emergence of new and different international security challenges requires a transformation throughout the DON from a Cold War force to a more agile and technology-based force. The Department's vision is to implement a human capital management system that facilitates high-performance and is efficient, flexible, and properly aligned with our national defense mission. NSPS is a key part of that strategy.

HOW WILL NSPS BE DESIGNED?

Proposed NSPS enabling regulations have been designed through the cooperative efforts of the Department of Defense (DoD) and the Office of Personnel Management with input from unions; management, both civilian and military; and employees, as well as information from current DoD demonstration programs and benchmarks from modern human resources management systems. The proposed regulations, which were published in the Federal Register 14 February 2005, provided a 30-day comment period for interested parties to submit input. When the timeframe closed, more than 56,000 comments had been recorded. DoD is reviewing and analyzing the comments. There will be a subsequent collaboration period with the unions at the national level to further improve the system design.

HOW AM I PART OF THE DEVELOPMENT?

Feedback and input from employees involved in focus groups and at town hall meetings, together with employee comments to the NSPS Website, have been used in the development of NSPS design. Any input employees provide during the Federal Register comment period will also be considered in developing the final design of the system.

WHAT WILL NSPS LOOK LIKE?

NSPS will be designed to help the DON recruit and motivate a high-performing workforce that can be sized, shaped, and deployed to meet changing, essential defense mission requirements. The design of NSPS will be guided by the following principles:

- Put mission first
- Respect the individual; protect rights guaranteed by law
- Value talent, performance, leadership, and commitment to public service
- Be flexible, understandable, credible, responsive, and executable
- Ensure accountability at all levels
- Balance human resource interoperability with unique mission requirements
- Be competitive and cost effective

WHAT WILL CHANGE UNDER NSPS?

NSPS allows flexible hiring procedures, streamlined position classification, pay banding and pay-for-performance in place of current systems. It will also provide for a new labor relations system and employee appeals process.

WHAT WILL NOT CHANGE UNDER NSPS?

Merit system safeguards, such as protection from discrimination and selections based on merit will remain under NSPS. Veterans' preference also will be preserved. There will be no changes to employee benefits (leave accrual, insurance and retirement). Retirement calculations will continue to be determined as they are today with any base salary increases counting toward an employee's "high three".

WHEN WILL NSPS START?

NSPS may start as early as July 2005. Project milestones reflect an aggressive, event-driven timeline with full NSPS implementation occurring over several years. This spiral implementation approach, with phased rollouts, will assure that all system components are properly designed prior to full deployment.

WILL I BE TRAINED IN NSPS?

Yes. Once NSPS is defined in detail, DON will provide the specific operational training needed to successfully implement NSPS. Employees and managers will be provided with training to prepare for, understand and effectively use the new human resources systems and processes. Training will be provided so that those affected will have the most up-to-date information when implementation occurs. The DON will also be providing training on behaviors that are essential to the success of NSPS. This training will be available through E-Learning and through classroom offerings. We encourage you to visit <https://wwwa.nko.navy.mil> to find out more about NSPS E-Learning opportunities.